

Ref: SECK/KSE/15

Dated: 29 May 2015

**The General Manager**

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**Subject: Material Information – KE SUKUK ISSUE of PKR twenty two (22) billion fully subscribed**

Dear Sirs,

Pursuant to the requirement of Listing Regulations of the esteemed Exchange and the Code of Corporate Governance (CCG), we are pleased to state that KE SUKUK issue of PKR 22 billion including a green shoe option of PKR 2 billion has been fully subscribed today (29 May 2015). The SUKUK has a tenor of 7 years and is rated AA+ by JCR-VIS Credit Rating Agency Limited. It is pertinent to mention that it is the largest listed SUKUK issue in Pakistan's corporate history. As earlier notified on 16 February 2015 that the Pre-IPO portion of PKR 15 billion was subscribed and closed on 13 February 2015 and the balance IPO portion amounting to PKR 7 billion including a green shoe option of PKR 2 billion was offered to General Public on 14 May 2015 for a three month subscription period till 13 August 2015. However the issue was oversubscribed today (29 May 2015), being the first day of subscription for institutional investors.

The SUKUK proceeds enabled the Company to prepay the expensive long term loans of International Finance Corporation (IFC) and Asian Development Bank (ADB) and other senior lenders approximately amounting to PKR 18 billion. Moreover, this strategic initiative will have far reaching benefits for KE including significant reduction in financing cost due to improved debt pricing with a positive impact on Company's profitability and much needed room in cash flow resulting from extended debt maturity profile. This will help execute long term business strategy and future investment plans of the Company essentially based on generation capacity addition & efficiency improvement and transmission & distribution network augmentation, system reliability and execution of loss reduction projects.

The SUKUK instrument will be listed at Karachi Stock Exchange in June 2015.

Yours truly,



Muhammad Rizwan Dalia  
Director Finance & Company Secretary

- Copy to:
1. The Securities & Exchange Commission of Pakistan, Islamabad
  2. The Registrar, Joint Stock Companies, SECP, Karachi
  3. Central Depository Company of Pakistan Limited
  4. CDC Share Registrar Services

